

The Role of the Cabinet Office in Commercial Management across Government

This note provides a clarifying explanation on the role of the Cabinet Office in Commercial Management across Government. Policy documents take precedence over this.

Acting as a Single Customer

1. Where possible the Cabinet Office ensures that Government at all times acts as a single customer. These efforts recognise and work within the public procurement law framework.
2. The Cabinet Office plays no role in the scoring or evaluating of bids submitted through procurement exercises operated by other contracting authorities with the exception of instances where another contracting authority will ask a representative from the Cabinet Office to be on an evaluation panel for a procurement. This happens where requested by the contracting authority and the contracting authority continues to be accountable for procurement outcomes and scoring.
3. Whilst it does seek to ensure that the government collectively acts as a single customer, there is no mechanism for the Cabinet Office to take into account the performance or behaviour of a supplier in one procurement exercise in determining the outcome of another procurement in which that same supplier is participating.
4. Individual contracting authorities and the Cabinet Office cannot take into account the outcome of discussions relating to a change note or dispute elsewhere in a supplier's portfolio of Government contracts in determining or influencing the outcome of a competitive procurement exercise. The exception to this is where a dispute in relation to poor performance of the contract by a supplier exists. Past Performance Certificates issued under the Procurement Policy Note 'Taking Account of Bidders' Past Performance'¹ can be taken into account by contracting authorities.

Strategic Supplier performance management and the Strategic Suppliers Risk Management (SSRM) policy²

5. The Cabinet Office operates a process to designate suppliers as "High Risk" in accordance with the published SSRM policy.
6. The Cabinet Office operates performance management procedures across government; collecting performance information on each contract with Strategic Suppliers every six months. The Cabinet Office also gathers ad hoc intelligence from departments each month, informing discussions at the Commercial Relationships Board (CRB). The CRB meets monthly and each of the Strategic Suppliers is assigned an overall performance rating of red, amber or green (RAG) at this board.

¹ <https://www.gov.uk/government/publications/procurement-policy-note-09-12-taking-account-of-bidders-past-performance>

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80222/20121108_Strategic_Supplier_Risk_Management_Policy.pdf

7. The supplier ratings made by the Cabinet Office as part of the Strategic Supplier performance management process (including the Black, Red, Amber and Green tiers) have no bearing on the outcome of competitive procurement exercises or spend control requests concerning competitive procurement exercises.
8. The SSRM policy makes clear that in-scope organisations should reduce where possible the extent to which a Strategic Supplier designated as High Risk ('Black') is given additional work under the terms of an existing contract (by, for example the exercise of any extension or change requests to increase scope) so as to contain the risk to the taxpayer. To this extent there is a relationship with the spend controls, in that a High Risk rating could be relevant when assessing value for money under the control.
9. For a designation as High Risk (a black rating) the supplier would be notified in writing as per the procedures set out in the SSRM policy. For all other ratings it is good practice for the Crown Representative to inform the supplier of their rating, typically verbally. No ratings are published.

Operation of the Spend Controls

10. The Cabinet Office performs a role in assuring proposed spend will achieve value for money. These are performed in line with the published guidance³ at specified approval stages.
11. With the consent of the contracting authority, the Cabinet Office may participate in procurement negotiations unless prohibited in the process set out in the relevant tendering documentation. This may be within the context of the spend controls.
12. The Cabinet Office can advise a procuring authority to suspend or abandon a procurement exercise if they do not consider that it is sufficiently aligned to the Government's Service Design Manual⁴ and the published Red Lines on IT contracts⁵, but not because of the presence of a given supplier or suppliers on the shortlist.

³<https://www.gov.uk/government/publications/cabinet-office-controls/cabinet-office-controls-guidance-version-32>

⁴<https://www.gov.uk/service-manual>

⁵<https://www.gov.uk/government/news/government-draws-the-line-on-bloated-and-wasteful-it-contracts>